

Rocky Mountain **RMA**

ADVISORY

215 South State Street
Suite 550
Salt Lake City, UT 84111
801.428.1600

Gil Miller, Receiver
Rocky Mountain Advisory
215 S. State Street, Ste 550
Salt Lake City, UT 84111



November 10, 2017
Invoice # 13182

Billing for: 10/01/17 to 10/31/17

RE: Securities & Exchange Commission vs. Management Solutions, Inc.

Previous balance	\$46,672.12
11/7/2017 Payment - Thank You. Check No. 1544	(\$30,003.20)
11/7/2017 Payment - Thank You. Check No. 1545	(\$122.32)
Total payments and adjustments	(\$30,125.52)

Professional Services Summary

Name	Hours	Rate	
David N. Bateman	17.90	270.00	\$4,833.00
John H. Curtis	1.50	270.00	\$405.00
Elizabeth Williams	124.00	220.00	\$27,280.00
K. Luke Houston	2.90	220.00	\$638.00
Heather Young	10.30	210.00	\$2,163.00
Yasir Khan	55.30	200.00	\$11,060.00
Jordan Colohan	20.40	130.00	\$2,652.00
Saralyn Broadbent	4.10	0.00	\$0.00

Professional Services Detail

Date	Init.	Description	Hours	
<u>Accounting</u>				
10/02/17	HY	Prepared check to deposit at bank and updated accounting records and files for approved disbursement and deposited item.	0.40	\$84.00

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<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
10/05/17	JHC	Met with D. Bateman to discuss updated cash flow analysis (.1). Updated cash availability analysis and requested information to complete the same based on potential settlement outcomes (.3).	0.40	\$108.00
10/09/17	HY	Prepared cash balance to present to J. Curtis.	0.10	\$21.00
10/10/17	JHC	Updated and revised cash availability analysis to reflect most recent data and information (.7). Reviewed Fannie Mae settlement to update cash availability (.2). Provided information and data to G. Miller for discussions with investors (.2).	1.10	\$297.00
10/11/17	HY	Reviewed mail, reconciled amount on bill with previous payment and previous email received (.3). Prepared disbursement for invoice received (.2).	0.50	\$105.00
10/12/17	HY	Updated accounting records and files for approved disbursements.	0.10	\$21.00
10/13/17	HY	Prepared checks to be deposited at bank and updated accounting records and files (.4). Calculated amounts paid to vendor and remaining amounts to be paid for July and August and reported findings to G. Miller (.1).	0.50	\$105.00
10/16/17	HY	Reviewed email to D. Bateman regarding cash availability calculations and questions, reviewed claim analysis including totals at bottom of proposed 5th distribution, reviewed individual claim analyses where claimants already received a larger distribution than their investment and how those amounts are affecting the calculations at the bottom of the proposed 5th distribution (1.0). Prepared summary explaining how calculations work and the total distribution amount for the proposed 5th distribution and the withdrawn claim after the fourth distribution (1.0). Discussed findings with D. Bateman and G. Miller (.2).	2.20	\$462.00
10/18/17	HY	Reconciled bank statements and updated accounting records and files.	0.40	\$84.00
10/30/17	HY	Reviewed draft of quarterly operating report to verify accounting records being reported match SFAR and Cash Receipts and Disbursement exhibits.	0.10	\$21.00
SUBTOTAL:			[5.80	\$1,308.00]

Case Administration

10/11/17	DNB	Calls with counsel and Cache Valley Bank regarding Envo bank account.	0.60	\$162.00
10/12/17	HY	Prepared draft of quarterly operating report.	1.40	\$294.00
10/16/17	HY	Prepared electronic copy of SFAR and Cash Receipts and Disbursements amounts for 3rd quarter 2017 and prepared cash balance as of 9/30/17 to provide to C. Talbot for quarterly report.	0.30	\$63.00

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<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
10/18/17	YK	Resolved issues related to MSI website.	0.30	\$60.00
SUBTOTAL:			[2.60	\$579.00]

Claims Administration

10/13/17	HY	Telephone call from claimant requesting update on final distribution timing.	0.20	\$42.00
10/18/17	HY	Updated address for claimant from telephone call.	0.20	\$42.00
	DNB	Calls with claimant regarding case status (.2). Research backup for claim calculation as requested by counsel (.9).	1.10	\$297.00
10/19/17	DNB	Continued review of Preferred Income claim and supporting documents in response to request from receiver and counsel.	2.10	\$567.00
10/23/17	DNB	Research related to Preferred Income Partners claim and meetings with staff and receiver related to same.	2.70	\$729.00
	HY	Researched financial records for WyndSOR Court, Lake Charlestonian, and The Charlestonian to prepare financial analysis of pre-receivership balance sheet and income statements per year, settlement statement proceeds, and post-receivership income statements (2.1). Compared findings with claim analysis for claimant claiming preferred status, and discussed findings with D. Bateman (1.4).	3.50	\$735.00
10/24/17	DNB	Continued review of Preferred Income Partners claim as requested by counsel.	1.70	\$459.00
10/25/17	DNB	Finalize claim analysis for Preferred Income Partners and call with counsel regarding same.	0.60	\$162.00
	HY	Prepared report detailing claim distribution amounts and dates for specific claimant, reported findings to D. Bateman.	0.40	\$84.00
10/26/17	DNB	Meeting with receiver and call with counsel regarding Preferred Income claim.	1.80	\$486.00
SUBTOTAL:			[14.30	\$3,603.00]

Litigation Consulting

10/05/17	DNB	Communications and meeting with counsel and receiver regarding investor board correspondence.	0.90	\$243.00
10/10/17	DNB	Meetings with receiver to discuss Black Cliffs litigation.	0.40	\$108.00
10/13/17	DNB	Update meetings with receiver related to Black Cliffs claim litigation.	0.70	\$189.00

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<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
SUBTOTAL:			[2.00	\$540.00]
<u>Tax Issues</u>				
10/02/17	EW	Update 2016 accounting and schedules to reflect amended entity K-1's.	2.90	\$638.00
10/03/17	EW	Prepare updated 2016 tax return and supporting schedules (2.3). Review same for accuracy (1.5). Compile tax support for review by D. Bateman (.9). Begin 2016 tax disclosures (.4).	5.10	\$1,122.00
10/04/17	EW	Update 2016 disclosure statement and Form 8275 (.9). Review supporting documents and update as needed (1.1). Compile supporting documents in preparation for tax return review (1.1).	3.10	\$682.00
10/05/17	EW	Prepare for and meet with D. Bateman regarding tax returns.	0.60	\$132.00
	DNB	Meet with E. Williams regarding tax returns.	0.40	\$108.00
10/06/17	DNB	Review MSI QSF tax return and discuss questions with E. Williams.	2.40	\$648.00
	EW	Various discussions with D. Bateman regarding 2016 QSF tax return (.2). Update adjusting journal entries and compile tax support for S. Pickett review (1.6). Email S. Pickett (.1). Review MSI, Inc. corporate amended and 2016 tax returns (.9). Compile 2016 tax returns and supporting schedules and email same to S. Pickett for review (2.2).	5.00	\$1,100.00
10/09/17	KLH	Discussion with E. Williams regarding accounting and supporting documentation for QSF tax return (.2). Reviewed and reconciled the same (2.7).	2.90	\$638.00
	EW	Update 2016 tax returns and schedules per review by S. Pickett (2.5). Prepare 2014 and 2015 reconciliation and adjustment schedules per review by S. Pickett (3.1). Discuss accounting with L. Houston (.2).	5.80	\$1,276.00
10/10/17	DNB	Review QSF tax return changes and discuss same with E. Williams.	1.10	\$297.00
	EW	Update NOL reconciliation calculations and schedules (4.5). Meet with D. Bateman regarding same (.2). Update schedules per review (2.7). Submit MSI, Inc. efile forms to WSRP and email R. Jepson regarding same (.2).	7.60	\$1,672.00
10/11/17	EW	Complete NOL and capital loss reconciliations (1.8). Update schedules of same (1.0). Update disclosure statements in response to same (.8). Review schedules and statements for accuracy (1.4). Prepare tax review responses for S. Pickett (1.1). Email updated returns and schedules to same (.2).	6.30	\$1,386.00

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<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
10/12/17	EW	Phone call with S. Pickett regarding 2016 capital loss and NOL schedules (.2). Update schedules in response to same (.5). Meetings with D. Bateman and G. Miller to sign tax returns (.3). Compile QSF tax return for filing (.4). Begin 2012 - 2016 state tax estimate in preparation for Black Cliffs meeting (5.7).	7.10	\$1,562.00
	DNB	Meeting with E. Williams to sign tax returns.	0.20	\$54.00
10/13/17	EW	Complete 2012 - 2016 state tax estimate and email G. Miller regarding same (3.7). Various emails with S. Pickett regarding capital loss carryover schedule (.3). Update schedule in response to same (.1).	4.10	\$902.00
10/14/17	EW	Update QSF tax returns.	0.50	\$110.00
10/16/17	EW	Prepare IRS Form 4810 and supporting schedules for signature (.6). Compile tax return for submission to IRS (.2). Various discussions regarding state tax returns with D. Bateman and G. Miller (.2). Various emails with C. Talbot regarding same (.1). Prepare 2012 state allocation schedule (4.4).	5.50	\$1,210.00
	DNB	Various discussions with E. Williams regarding state tax returns.	0.10	\$27.00
10/17/17	EW	Analyze prior year returns to determine proper state allocation (2.2). Phone call with R. Jepson regarding same (1.0). Update 2012 state allocation schedule in response to same (.8). Begin preparation of 2013 state allocation schedule (2.4).	6.40	\$1,408.00
10/18/17	EW	Phone call with M. Black and C. Talbot regarding state tax estimate (.3). Complete 2013 state allocation schedule and begin preparation of 2014 state allocation schedule (4.3).	4.60	\$1,012.00
10/19/17	EW	Phone call with R. Jepson regarding 2014 state allocations (.4). Continue preparation of 2014 state allocation schedule (5.2).	5.60	\$1,232.00
10/20/17	EW	Evaluate 2014 amended K-1s and continue preparation of 2014 state allocation schedule (4.8). Begin preparation of 2015 and 2016 state allocation schedules (2.1).	6.90	\$1,518.00
10/23/17	EW	Discuss state tax return deadlines with G. Miller (.1). Compile 2012 - 2016 state allocation data and prepare master schedule of same (7.1). Review same for accuracy (2.0).	9.20	\$2,024.00
10/24/17	EW	Phone call with R. Jepson regarding capital gains allocations (.3). Reconcile 2012 - 2014 state allocation data to source documents (2.9). Email S. Pickett regarding state tax returns (.3). Phone call with S. Pickett regarding same (.5). Discuss state tax reporting options with D. Bateman (.3). Evaluate 2012 entity tax returns and prepare QSF ownership template in response to same (2.7). Various discussions about ownership calculations with Y. Khan (.6).	7.60	\$1,672.00
	YK	Various discussions with E. Williams regarding MSI common control analysis and begin working on the same.	4.80	\$960.00

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Date	Init.	Description	Hours	
10/25/17	DNB	Meetings with receiver and staff to discuss state tax returns.	1.10	\$297.00
	EW	Various discussions with D. Bateman and staff regarding QSF state tax return schedules (.6). Discuss state returns with G. Miller (.1). Evaluate 2012 entity tax returns and prepare schedule of income, expenses, and assets needed to prepare state tax returns (6.8). Compile documents needed to prepare same for 2016 (.4).	7.90	\$1,738.00
	YK	Various discussions with E. Williams regarding common control analysis (.4). Continued working on common control analysis spreadsheet (10.1).	10.50	\$2,100.00
	SB	Replication of entity tax filings for 2012 and 2013 required for further review by tax associates.	2.80	NO CHARGE
	JC	Reviewed Forms 1065 to verify for accuracy and updated Form 1065 analysis spreadsheet.	2.50	\$325.00
10/26/17	YK	Continued working on common control analysis.	8.40	\$1,680.00
	EW	Analyze 2013 entity tax returns for allocation items and prepare schedule of same (3.5). Various emails with staff regarding same (.4).	3.90	\$858.00
	SB	Replication of entity tax filings for 2012, 2013, and 2014 required for further review by tax associates.	1.30	NO CHARGE
	JC	Reviewed Forms 1065 to verify for accuracy and updated Form 1065 analysis spreadsheet.	4.20	\$546.00
10/27/17	YK	Worked on preparing worksheet for 2012 tax year containing tax information for all related entities related to Boca Raton (5.4). Continued working on common control analysis worksheet (2.1).	7.80	\$1,560.00
	JC	Reviewed Forms 1065 to verify for accuracy and updated Form 1065 analysis spreadsheet.	6.80	\$884.00
10/28/17	YK	Worked on determining MSI entities ownership percentages for tax purposes and continued updating RMA common control analysis.	4.80	\$960.00
10/29/17	YK	Finished working on RMA control analysis and reviewed 2012 Boca Raton spreadsheet.	5.10	\$1,020.00
10/30/17	YK	Updated RMA common control analysis worksheet, reviewed 2012 Quorum Properties worksheet and 2012 tax entity worksheet.	7.20	\$1,440.00
	EW	Evaluate state tax codes for apportionment factors (2.1). Review 2012 percentage ownership schedule for accuracy (6.2).	8.30	\$1,826.00
	JC	Reviewed Forms 1065 to verify for accuracy and updated Form 1065 analysis spreadsheet.	3.10	\$403.00
10/31/17	YK	Reviewed 2012 tax entity transactions with E. Williams (.9). Updated RMA control analysis worksheet (.8). Reviewed 2013 K-1's for related MSI entities and continued updating tax information (4.7).	6.40	\$1,280.00

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<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
10/31/17	EW	Continue review of 2012 apportionment schedule (2.9). Multiple discussions with staff regarding same (.6). Review updates to schedule (1.2). Reconcile 2012 apportionment and allocation schedules (3.2). Prepare schedule of same (2.1).	10.00	\$2,200.00
	JC	Reviewed Forms 1065 to verify for accuracy and updated Form 1065 analysis spreadsheet.	3.80	\$494.00
SUBTOTAL:			[211.70	\$43,001.00]

Total for professional services rendered	236.40	\$49,031.00
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Expenses

<u>Date</u>	<u>Init.</u>	<u>Description</u>	
			<u>Copies</u>
10/31/17	RE	Copying cost (223 copies at \$.15 per copy)	\$33.45
SUBTOTAL:			[\$33.45]

			<u>Parking</u>
10/31/17	RE	Parking	\$3.00
SUBTOTAL:			[\$3.00]

			<u>Postage</u>
10/31/17	RE	Postage	\$24.05
SUBTOTAL:			[\$24.05]

			<u>Software</u>
10/03/17	EW	Monthly QuickBooks Enterprise	\$53.41
10/09/17	HY	Monthly QuickBooks Enterprise	\$53.41
SUBTOTAL:			[\$106.82]

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Total expenses	\$167.32
Total new charges	\$49,198.32
Balance due	\$65,744.92
